

## Southwestern Pennsylvania Partnership for Aging

- Good morning! Thank you, Senator Orie, for that kind introduction.
- It's a real pleasure to be in Pittsburgh, where there are so many fine examples of *Active Aging*!
- **Brandon James** and **Mary Anne Kelly**, thank you for inviting me here today.
- I'd also like to recognize
  - **Dr. William Bankhead**, of the National Senior Games Association
  - **Ivonne Gutierrez Bucher**, from the PA Department of Aging
  - **Darlene Sampson**, of the PA Council on Aging
  - **Senator Allen Kukovich**, of Governor Rendell's office;
  - **Christine Meyer** and **Jay French**, of Senator Rick Santorum's staff.

- I'm especially delighted to be talking to residents of Pittsburgh, a city that has one of the highest concentrations of older adults in the U.S. According to the 2000 census, 16.4% of your population is 65 and older, and older adults made up 18% of your residents in the 2003 American Community Survey!
- Based on those statistics, you have first-hand knowledge about the opportunities and challenges of an aging society.

### **White House Conference on Aging**

- That first-hand knowledge will be invaluable as you come together this afternoon to make your recommendations for the national White House Conference on Aging, which will be held in Washington, DC on December 11-14.

- The 2005 White House Conference on Aging is unique in that it is the first to have a mandate to focus on the aging of today and tomorrow. This includes the 78 million baby boomers born between 1946 and 1964.
- This years' White House Conference on Aging offers an incredible opportunity for public input in the future of aging policy. With the help of advanced technology and testimony at events around the country, more people have participated in this White House conference than ever before.
- Since August of 2004, the WHCoA Policy Committee has held 13 Listening Sessions across the United States, and has held more than 18 Solutions Forums.
- In addition, at least 9 Mini-Conferences on specific topic areas such as long-term care and nutrition are being held over the next several months.

- There have been more than 275 independent aging agenda events held or planned across the country involving more than 65,000 individuals.
- The reports generated from these events are being used in the development of the final Agenda for the WHCoA and will further inform the Policy Committee as they work to develop resolutions to be voted on by the delegates at the WHCoA in December.
- This public input allows you to be directly involved in the planning for the WHCoA. I thank you for your involvement in today's conference. Older Americans will benefit greatly from your knowledge and expertise.
- This morning, I'd like to set the stage for today's discussions by telling you about the priorities we've identified at the Federal level for serving the seniors of today and tomorrow, and how we're addressing them through our partnerships, and through the reauthorization of the Older Americans Act.

## **Medicare**

- One of the best opportunities we have to serve seniors is to talk to them about the new prescription drug benefits coming on line through the modernization of the Medicare program. The Administration on Aging is actively partnering with CMS to ensure that all older Americans take full advantage of these benefits.
- This past year, we collaborated with CMS to inform seniors about the Medicare Drug Discount Card options and the transitional assistance program for low-income seniors. This AoA/CMS partnership provided almost \$5 million in support to help community-based organizations assist low-income, limited-English speaking populations learn about and enroll in the transitional program.

- This year, we are working to help seniors to learn about and enroll in the Part D Program, including the low-income subsidy being made available through SSA. (*Acknowledge Lorraine Ryan from the CMS Regional office.*)
- AoA's goal is to enlist the active support of at least 10,000 of our community-based aging services provider organizations in helping older people learn about and take full advantage of the new coverage.
- Last month, AoA issued a “call to action” to all our networks to announce the availability of the new benefits.
- Our goal in this combined effort is to support your efforts to inform, educate and assist in enrolling people with Medicare in the Medicare Prescription Drug Benefit and the Limited-Income Subsidy.

- We have devised different partnership levels that our networks may participate in for this campaign. These include:
  - Information
  - Dissemination
  - Event Coordination
  - Enrollment
- AoA will identify training opportunities either through the CMS national training events or through regional in-depth customized training.
- We will also provide technical assistance to local community-based organizations to maximize the effectiveness of planned community based initiatives.
- We know this collaborated effort of CMS, AoA, SHIPS and our networks will strengthen the awareness campaign to further reach seniors nationwide on their new Medicare benefits. CMS appreciates what you do.

- Since the 1<sup>st</sup> of May we have had almost 1000 organizations join our partnership. If you have not done so already, please sign up at [www.aoa.gov](http://www.aoa.gov). If you have signed up, thank you!

## **Long-Term Care System**

- As baby boomers age, there are three other issues we must address: 1) the growing demand for long-term care; 2) the future public and private costs of long-term care; and 3) the systemic problems of our current long-term care system.

## **Demand for Long-Term Care**

- The number of older Americans is increasing at unprecedented rates, and those Americans reaching age 65 are living longer than ever before.
- Among those over the age of 85, about 55 percent of people who are impaired require long-term care.



- While the precise number of people who will need long-term in the future could be affected by a number of things, including possible declines in rates of impairment, the expected increase in the number of seniors is so great that most experts agree that there will be far more people in need of long term care in the future than there are today.
- By 2050, when all of the baby boomers will be age 85 and older, there will be over 86 million people age 65+ living in the United States, compared to 35 million today.
- The changes that are influencing the demand for long-term care will also affect how this care is provided. Families are expected to be smaller in the future than they are today, and if current trends continue, a greater proportion of women may be in the labor force. This figure is significant because between 59 and 75 % of caregivers are women.

- These trends could make informal care less available and lead to a greater potential reliance on care from other sources. As the baby boom generation ages, the demand for long-term care services is certain to increase.

### **Cost of Long-Term Care**

- The costs of long-term care are enormous. This year, \$129 billion will be spent on older individuals receiving paid care – that amounts to approximately \$15,000 per impaired senior. The major sources of financing are: Medicaid, individual and private out-of-pocket expenses, and Medicare.
- The other significant source of care is, of course, donated or unpaid care provided by families, friends and neighbors. Over 95 percent of all chronically disabled elders living in the community receive at least some unpaid family care, and two-thirds rely exclusively on such help. The dollar value of informal care is estimated to be \$257 billion per year.

- The costs of long-term care are key contributors to the growing fiscal crisis facing the Medicaid program nationwide. As the population ages and fiscal pressures on state Medicaid budgets increase, we must find more effective ways to finance and deliver long-term care.

### **Systemic Problems of Current Long-Term Care System**

- While views may vary on exactly how we should plan on preparing for the baby boom, everyone agrees that there are major problems with our current approach to long-term care, and that our **system** of care needs fundamental reform. It is out of sync with people's needs and preferences. It is fragmented, confusing and inefficient. And it is financially unsustainable for individuals, families and our society at large.
- Yet, we know that seniors have an overwhelming preference to remain at home. We've heard it from seniors around the country. And we hear it from our own families. Yet, our support system is heavily biased in favor of nursing home care.

- Over 80 percent of all Medicaid expenditures on long-term supports for the elderly are currently spent on nursing home care. While nursing home care is a critically important component of our support system, we need to provide more opportunities for home and community-based services.
- Another major problem with our current system is that most people are simply unaware of their potential need for long-term care and their financial exposure to costs.
- Research shows that most Americans still equate long-term care with nursing homes and that many believe that Medicare pays for long-term care. When older people or their family members do seek out information or care, they face a complex and mind-boggling maze of publicly supported and private options, administered by a wide variety of providers operating under different, sometimes conflicting – and often duplicative - rules and regulations. Consumers consistently report experiencing serious difficulty and frustration in trying to learn about and access available options.

- Compounding this situation is the fact that most individuals face difficult long-term care decisions amidst a **crisis**, such as an unexpected hospital admission (65 percent of nursing home admissions are directly from hospitals), or the collapse in a fragile caregiver support network.
- Under these circumstances, families have little time to explore the many options that might be available, and this often results in a nursing home admission or the unnecessary use of very expensive home health care.
- We believe the Aging Network and the Older Americans Act are a significant part of the nation's solution to the emerging long-term care financing challenges that we face now. And this solution will build on policies that the President and the Secretary of HHS have already instituted.

- We must build upon the foundation that we have laid in the past four years through such initiatives as the President's New Freedom Initiative, which committed the Federal Government to creating a system of care that reflects the needs and preferences of Americans of all ages with disabilities and the values of choice, control and independence.
- As we move forward, there are three strategies that are particularly relevant: 1) empowering consumers to make informed decisions; 2) targeting limited public resources to help high-risk individuals to stay out of nursing homes and off Medicaid; and 3) promoting the use of programs that can help older people reduce their risk of disease, disability and injury.

## **Empowering Consumers**

- Helping all individuals to make informed choices – including choices about their financing and care options – can enhance people's ability to stay at home and improve the quality of their lives. Increased awareness of private long-term care insurance and other products would go a long way toward advancing these two goals.
- Long-term care insurance is a relatively new product and currently underutilized. Only about 4% of Americans aged 45 and older with incomes of at least \$20,000 currently have it.
- The Administration has launched two interrelated, complementary initiatives to empower people to make informed decisions about their financing and care options.

- The *Own Your Future Campaign* was launched this past year to encourage more people to start planning ahead for their long-term care. This project is a joint effort of the Administration on Aging, the Centers for Medicare and Medicaid Services, the HHS Assistant Secretary for Planning and Evaluation, the National Governors Association and the National Conference of State Legislatures.
- It is currently being piloted in five States (Arkansas, Idaho, Nevada, New Jersey, and Virginia), and involves the targeted mailing of HHS materials and a letter from the Governor of each State to every household headed by an individual between the ages of 50 and 70.



- The Aging and Disability Resource Center (ADRC) Program, our one-stop shop model for accessing information, assistance and services, which was launched in 2003 by the Administration on Aging and the Centers for Medicare and Medicaid Services, is also designed to help people plan ahead for their long-term care, as well as address the immediate problems consumers face when they try to learn about and access needed care.
- This program provides competitive grants to states to assist them in developing and implementing coordinated access to information, individualized advice to consumers on their options, and streamlined eligibility determination for programs. I'd like to congratulate Pennsylvania for making such great progress in this area by reducing the wait for Medicaid waiver services from 60 days to just 2 days, and 24 hours in emergency situations.

- The long range vision is to have ADRCs serving as “visible and trusted” places at the community level nationwide where people of any age or income can go to get information on all available options. The program also reduces government fragmentation, duplication, and inefficiencies.
- We are very proud of Pennsylvania’s Aging and Disability Resource Center. Keep up the good work!

### **Targeting High Risk Individuals**

- Another strategy is targeting limited amounts of public resources to help individuals who are at high risk of nursing home placement to remain at home for as long as possible.
- These individuals are usually in a situation where they have neither the time nor the ability to do anything but use their liquid assets.

- The research shows that effectively targeting individuals who without some form of help would have gone into a nursing home, is key to saving public dollars.
- Every day you help an individual stay out of a nursing home, you are helping them use their own personal and financial resources on less expensive forms of care for a longer period of time.

### **Building Prevention into Long-Term Care**

- Most long-term care needs emerge from chronic diseases and other conditions, such as arthritis, diabetes, heart and lung disease, as well as from injuries suffered from a fall or other accident. We now know these conditions and their effects can be mitigated, even for people who are very old, through life-style changes and disease management programs.

- Yet, our formal system of long-term care – like our acute care system - still emphasizes medical services over prevention. While Medicare is modernizing to give more emphasis to prevention and chronic care management, much more can be done through our public health and social service programs.
- There is a growing body of scientific research, being generated by the National Institutes of Health, the Centers for Disease Control and Prevention, and the Agency for Healthcare Research and Quality and others, documenting evidence-based programs that have proven to be effective in reducing the risk of disease, disability and injury among the elderly.
- Deploying these programs at the community level through venues like senior centers and congregate meal programs that can reach large numbers of older people when the opportunities for prevention are optimal can improve the quality of life and reduce health care costs.

- In an effort to begin bringing these types of programs “up to scale” nationwide, the Administration on Aging launched an Evidence-Based Prevention Program in 2003 in partnership with NIA, CDC, AHRQ, CMS and the John A. Hartford, Robert Wood Johnson, and several smaller foundations.
- The program is designed to demonstrate the effectiveness of implementing evidence-based models at the community level through aging service provider organizations. A dozen local projects are being funded for a 3-year period. They focus on disease self-management, fall prevention, nutrition, physical activity, and medication management.
- And they are working. This March, I had the opportunity to visit the Philadelphia Corporation for the Aging, which is conducting a chronic-disease self-management project called Harvest Health. Real people have been able to make real improvements in their health and mobility because they’ve learned how to manage their chronic conditions.

## Conclusion

- We are just beginning to see the potential of the partnerships we have created. We are now provided a new opportunity to take our efforts and our plans to the next level.
- This is an exciting time for the aging network. Through partnerships, creativity, and leadership we will accomplish great things for the aging community.
- The Older Americans Act and the WHCoA will both play a critical role in molding and modifying aging policy for the future.
- Our charge is to look at a broad level at policies that will need to be in place as the baby boom generation ages. As we plan along the lifespan, we need to talk with our families. We need to have conversations within our communities, and with city and community planners.

- As we plan for the future, we can't just think about retirement income. We need to think about where we want to live and how we want to live. What kind of housing options do we want? Are there opportunities for second (or third) careers? What should the workplace of the future look like? For those of us who will need long-term care, what care options should be available? What role can technology play?
- I hope that I've given you some food for thought as you begin your own discussions today. I am confident that with the help of all of you present here today and our aging networks nationwide, we will strengthen and enhance our aging policies so our seniors may better enjoy personal control and a better quality of life.